



CITY OF CORONA
EMPLOYEE BENEFIT PLAN ADMINISTRATION SERVICES
REQUEST FOR PROPOSALS (RFP) 17-076CG
ADDENDUM NO. 1

July 21, 2017

Administrative Services Department - Purchasing Division
400 S. Vicentia Ave., Ste. 320
Corona, CA 92882

Contact: Carlos Garcia
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Telephone: (951) 279-3567

Addendum No. 1 to Employee Benefit Plan Administration Services, RFP 17-076CG is issued to respond to “Requests for Information” as submitted by contractors via written requests and to extend the proposal due date and time.

By this reference, all provisions and attachments to this Addendum No. 1 are hereby incorporated into RFP 17-076CG. Prospective contractors shall account for all provisions pursuant to this Addendum No. 1 in submitting their proposal. Each contractor shall acknowledge receipt of this Addendum No. 1 in their proposal in the spaces provided therein.

A. Questions and Answers:

1. Question:

“Who is the current provider of services for the City?”

Answer:

Total Administrative Services Corp.

2. Question:

“Please provide the fees billed to the City by the current provider.”

Answer:

Please see Rate Sheet attached to the end of this document as “Exhibit 1”

3. Question:
“Does the City pay all fees; or do plan participants contribute toward the fees?
Please explain.”

Answer:

City pays all fees with the exception of replacement cards which there is a fee to the participant of \$5.

4. Question:
“How many eligible employees does the City have?”

Answer:

596

5. Question:
“How many employees participate in Health Care FSA”

Answer:

146

6. Question:
“How many employees participate in Dependent Care FSA”

Answer:

17

7. Question:
“How many employees participate in both Health Care and Dependent Care FSA”

Answer:

11

8. Question:
“Are debit cards currently offered? If so, is the current process compliant with IRS regulations?”

Answer:

Yes and yes.

9. Question:

“What assistance or support is needed for annual open enrollment?”

Answer:

None.

10. Question:

“Does the City conduct employee meetings or benefit fairs?”

Answer:

None where vendors participate.

11. Question:

“Please provide the names of the medical, dental and vision carriers for the City.”

Answer:

CalPERS Medical, Delta Dental, and Eyemed.

12. Question:

“Please describe the plan design of the Direct Pay program. Is this plan a Section 105(h) Health Reimbursement Arrangement?”

Answer:

Yes

13. Question:

“Who is eligible for the plan?”

Answer:

Tier 1 Retirees.

14. Question:
“If active employees are eligible, does the HRA pay first before FSA?”
- Answer:
Active employees are not eligible.
15. Question:
“What are the employer contribution amounts and frequency?”
- Answer:
Monthly invoice received for Disbursements paid for the month. City pays amount dispersed.
16. Question:
“Are funds carried over from year-to-year? Are there any limitations if funds are carried over?”
- Answer:
Funds are not carried over.
17. Question:
“What types of expenses are covered? All Section 213(d) expenses?”
- Answer:
Yes and under Sections 105 (b). For additional information on expenses covered, please see “Exhibit 2”.
18. Question:
“If payments are made in excess of current contributed amounts, what is the limit?”
- Answer:
Payment should not exceed the contributed amounts, but if they do, provider will send a letter or repayment.
19. Question:
“How is the prefunding of advance direct payments handled by the City?”

Answer:

FLEX allocated to current vendor is sent on a per pay period amount of the account contributions (i.e. \$1500 to Dep Care, \$57.69 is sent to vendor each pay period throughout the year.)

20. Question:

“Does the City provide prefunding or money on account to cover advance payments in excess of contributions?”

Answer:

Please refer to answer to Question 19.

21. Question:

“How much in funds are currently accrued?”

Answer:

Please refer to answer to Question 19.

22. Question:

“Will the City consider alternate funding methods?”

Answer:

No.

23. Question:

“Renewal date”

Answer:

January 1, 2018

24. Question:

“Implementation date requested”

Answer:

January 1, 2018, however the selected vendor will have to begin during open enrollment (mid-September through mid-October) for January 1, 2018 effective date. Ideally, have a new vendor in place September 1, 2017 if not earlier.

25. Question:

“Why is group looking to switch Administrators?”

Answer:

This service requires re-bidding per City of Corona municipal code.

26. Question:

“Number of employees enrolled in benefits that are subject to COBRA”

Answer:

517

27. Question:

“Number of individuals current enrolled in COBRA”

Answer:

3

28. Question:

“Number of individuals currently within the 60-day COBRA election period”

Answer:

15

29. Question:

“Total Number of COBRA Qualifying events processed annually”

Answer:

24

30. Question:

“Name of Current Administrator”

Answer:

Total Administrative Services Corp.

31. Question:
“Current Fees”

Answer:
Please see Rate Sheet attached to the end of this document as “Exhibit 1”

32. Question:
“How many are currently participating in this program [Retiree Billing]?”

Answer:
19

33. Question:
“Does the program follow COBRA premium payment timelines and rules.”

Answer:
Not applicable.

34. Question:
“How many premium notices are provided to each retiree – Annual Coupon Book”

Answer:
Not applicable.

35. Question:
“Monthly statements”

Answer:
Yes.

36. Question:
“Late payment reminders (if applicable, how many)”

Answer:
Not applicable.

37. Question:

“Are the plans subject to annual open enrollment”

Answer:

Yes.

38. Question:

“What is the current rate structure”

Answer:

Please see Rate Sheet attached to the end of this document as “Exhibit 1”

39. Question:

“When do retirees and/or dependents cease to be eligible for retiree benefits”

Answer:

Upon death.

B. City Clarifications:

- a. Section I. “Invitation” - Page 1 of 1, Tentative RFP Schedule is hereby deleted in its entirety and replaced with the following:

Tentative RFP Schedule
(Subject to change at City’s discretion)

1. Issue RFP	July 3, 2017
2. Written Questions from Consultants due	10:00 a.m., July 11, 2017
3. Responses from City Due	July 18, 2017
4. Proposals Due (date & time)	1:00 p.m., July 27, 2017
5. RFP Evaluation Completed	August 1, 2017
6. Contract Negotiations Completed	August 8, 2017
7. Consultant Selection	August 8, 2017

- a. Section II.F “Date and Time” - Page 2 of 4 of the “RFP Instructions” section is hereby deleted in its entirety and replaced with the following:

F. Date and Time

All proposals are to be submitted to City of Corona, Attention: Carlos Garcia, Purchasing Division, no later than **1:00 p.m., July 27, 2017**. Proposals received after that date and time will be rejected by the City as non-responsive.

Thank you,

Carlos Garcia
Purchasing Specialist IV
City of Corona

Exhibit 1

EXHIBIT "C"

COMPENSATION

City shall pay the following fees:

FlexSystem Plan:

- | | | |
|----|--|----------|
| A. | Participant Fee (per month; per participant):
(Annually increased based on 3 year average
of most recently published national CPI) | \$ 4.22 |
| B. | Minimum Monthly Administration Fee: | \$707.50 |
| C. | Claim Card Fee (per month, per participant): | \$ 1.60 |
| D. | Check Processing Annual Fee
(\$10 per pay period) | \$260.00 |
| E. | Annual Renewal Fee:
(Annually increased based on 3 year average
of most recently published national CPI) | \$675.00 |

The City shall pay either the Minimum Monthly Administration Fee or the Participant Fee (times the number of participants), whichever is greater. Consultant shall invoice the City on a quarterly basis for the monthly fees set forth above. City shall review and pay all approved fees within forty-five (45) days of receipt of the invoice.

DirectPay Plan:

- | | | |
|----|--|----------|
| A. | Participant Fee:
(per month, per participant, paid annually)
(Annually increased based on 3 year average
of most recently published national CPI) | \$ 9.06 |
| B. | Annual Renewal Fee:
(Annually increased based on 3 year average
of most recently published national CPI) | \$155.00 |

Exhibit 2

THE REIMBURSEMENT PLANS

If the BENEFITS OFFERED TO EMPLOYEES Section of this Summary Plan Description lists Medical (Out-of-Pocket) Expenses, Dependent Care Expenses and/or Non-Employer Sponsored Premiums, then your Plan includes that Reimbursement Plan.

The Participant Reference Guide, incorporated by express reference into this Summary Plan Description, includes all of the information you need to access your reimbursement accounts and submit claims for reimbursement. By visiting the Account Manager link addressed in this Guide you may access information about your reenrollment, your available funds, annual election, total contributions, and total reimbursements. These plans provide tax free benefits for medical, dependent daycare and/or non-employer sponsored health insurance premium claim reimbursements in accordance with IRS guidelines and protocols.

Medical (Out-of-Pocket) Expenses Reimbursement Plan. All medical claim expenses must be (a) for medical care as defined in Code Section 213(d) which is rendered or received during the Plan Year, with certain limitations described under Services Not Covered; (b) incurred by an employee who has made a valid pre-tax election to participate in the Plan, such employee's spouse, or tax dependent for healthcare purposes as defined in Section 105(b), (c) not otherwise taken as a medical deduction by a taxpayer and (d) not covered under any other benefit program.

A medicine or drug that is available for purchase without a prescription is considered an over-the-counter medicine. Under new federal law, an over-the-counter medicine obtained on or after January 1, 2011 may be reimbursed tax free only if a Participant obtains and submits a prescription with their claim for reimbursement. A Participant must submit a 'prescription' that meets all state law requirements of the state in which the prescription was written. The person who wrote the prescription must be allowed to prescribe drugs under applicable state law. A medicine is any over-the-counter item the IRS determines is purchased for the primary purpose of applying the drug or biological contained in the item. Insulin will continue to be reimbursed without a prescription.

The following examples—even those recommended by a doctor—do not qualify as expenses eligible for reimbursement under the Medical Expenses Reimbursement Plan: insurance premiums; expenses for cosmetic procedures or cosmetic items; items that are for a Participant's general wellbeing; items the Participant would have purchased even if the Participant had no medical condition (for example, a toothbrush); vacation and travel expenses even if for rehabilitation or prescribed by a doctor; long-term care expenses that are not for actual medical care; expenses incurred in stockpiling over-the-counter items in quantities that could not reasonably be used during the current Plan Year.

If you contribute to a Health Savings Account (HSA) then you may additionally enroll in a limited *Medical Expenses Reimbursement Plan* only. Qualified expenses under a limited Medical Expenses Reimbursement Plan are limited to dental and vision services or supplies excluded from coverage under your high deductible health plan. The limited Medical Expenses Reimbursement Plan will not provide reimbursement for any other service or supply regardless of whether that service or supply is allowed by the IRS as a medical expense, or allowed under a full Medical Expenses Reimbursement Plan.

Dependent Care Expenses Reimbursement Plan. This Plan provides employees with tax free dependent care assistance only when the assistance is necessary for the Participant to leave the home to engage in activity directly related to his/her employment. Qualified expenses under the Dependent Care Expenses Reimbursement Plan include any expenses that you could take as a credit against tax on your income tax form for the care of a Qualified Person. Benefits are provided only to the extent of your payroll deduction on the date the claim is processed. The tax laws further limit how much you may contribute to this Plan. Under the law and the terms of the Plan, you may defer no more than the lesser of your actual (or, if you are married and if less, your spouse's) income for the year or \$5000 per year to this Program. A married Participant who files separate tax returns is limited to \$2500 per year.

Non-Employer Sponsored Premiums Reimbursement Plan. This account provides reimbursement for premiums you paid for employee-owned health insurance policies. Employer provided insurance plans do not qualify. Premiums eligible for reimbursement are for a period in which you were a covered Participant under this Plan.